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## Women and Finances

Women face unique challenges when it comes to managing money and planning their future. As a financial counselor, the majority of the women clients I work with can be categorized into two groups – those who aren't involved at all in their family's finances and those who manage it all. Being in either situation can lead to financial problems for different reasons and that's why it's important to get the help of a financial counselor to address the issues before they get out of hand.

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### When Women Aren't Involved in the Finances

Many women rely on their husband to take care of the family's finances, balance the checkbook, and pay the bills. When one spouse makes all of the financial decisions or pays the bills, financial disaster can be lurking without the other spouse knowing it. Often it may be too late before the wife realizes that their debt is out of control.



Becky and her husband are an example of what can happen when financial responsibility is left to only one spouse. Becky's husband took care of all of the family's finances and she just assumed that all the bills were paid on time and that they were saving for retirement. It wasn't until a creditor called their home asking for payment of a past due credit card bill that Becky realized that their financial situation was desperate. When Becky realized that they were deep in debt and they weren't saving for retirement, she decided to take action to get them back on their feet again. Becky called her employee assistance program and set up free financial counseling for her and her husband. With the help of a financial counselor, they were able to confront the situation and create a plan to pay down their debt and save for their future together.

### Take Responsibility

Get involved with all aspects of the family's finances so that there are no surprises when it comes to your money.

### Know the Basics

For their own security, women need to learn the basics of living within a budget, balancing a checkbook, and understanding the couple's overall financial situation. Although everyone hopes for the best, they need to prepare for the worst. There is always the possibility that divorce or the death of a spouse will

force a woman to manage money on her own for the first time. Now is the time to learn the basics and a financial counselor can help to do just that.

## **Establish Your Own Credit**

Every woman needs credit in her own name ‘just in case’. She should open a checking, savings or credit card account in her name and manage it wisely.

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## **When Women Manage All of the Finances**

At the other extreme are those female clients that feel too responsible for the finances because they are the only spouse that monitors the situation.

For example, Sandy pays all the bills for the family. When her husband wants to buy a big-ticket item he asks her if they can afford it. Even if she knows that they can’t, she feels obligated to tell him to buy it. She knows that if she says ‘no’, he’ll feel resentful or deprived. This puts Sandy in an uncomfortable position in that she doesn’t want to say no to her husband, but she knows they can’t afford it.

Another situation I see is when a husband doesn’t discuss an expensive purchase with his wife until after the fact. When this happens she has to deal with the fall-out and ends up feeling pressured to juggle other bills to pay for it.

In either scenario the wife usually puts herself second because only she understands their true financial situation so she can’t justify buying ‘extras’ for herself. This often leads to deep-seated frustration or can result in an endless cycle of arguments over money. A financial counselor can help to involve the husband in the finances so that they can make decisions together.



## **Work Together**

The single, most important thing a couple can do to establish teamwork is to meet on a regular basis, such as once a month, to discuss their finances.

## **Don’t Sacrifice Your Retirement**

Because women tend to be nurturers, they often want to provide for their parents or older children even if it means sacrificing their own financial well-being. This often results in women sacrificing their retirement savings for the ‘more urgent’ needs of others. Unfortunately, if they don’t save for retirement, they may end up becoming a financial burden to their children. This commonly creates a never-ending cycle that gets passed on through the generations.

Women need to set limits based on what they can afford to spend on others without risking their own future. One solution is to include children in meetings with a financial counselor, because teaching a child financial responsibility is far more valuable to him or her than just handing over the money.

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## What To Do

Whether a woman isn't involved in her family's finances or finds herself managing it all, financial counseling can be very helpful. A financial counselor acts as a neutral third party that encourages both spouses to take an active role in managing their money.

### **Get Free, Confidential Help**

Your employee assistance program provides free financial counseling to help you take control of your finances, pay down debt and manage your money. Call your EAP at (303) 832-1068 or 800-873-7138 to set up an appointment with a financial counselor.

*Source: Michelle Pastor, MBA, AFC*

### About MINES & Associates

For over 25 years MINES & Associates has been a nationally recognized business psychology firm that provides a variety of services to corporate employers including employee assistance programs (EAP), managed mental healthcare, organizational development and psychology services, wellness programs, behavioral risk management, disease management, PPO services, and a number of other technology based services. MINES & Associates is divided into two main divisions, Organizational Psychology and Health Psychology, and currently serves a diverse portfolio of clients in all 50 states, Canada, Mexico, and the UK. Please log on to <http://www.minesandassociates.com> for the latest news and information on MINES & Associates.